RADIO TV REPORTS, INC.

4701 WILLARD AVENUE, CHEVY CHASE, MARYLAND 20815 (301) 656-4068

FOR PUBLIC AFFAIRS STAFF

PROGRAM Nightline STATION WJLA TV
ABC Network

DATE October 1, 1987 11:30 PM CITY Washington, DC

SUBJECT Woodward, Casey and the CIA

TED KOPPEL: The most controversial book ever written about the American intelligence establishment: VIEL, by Bob Woodward.

[Collage of news clips.]

Our guests tonight, author Bob Woodward, the late CIA Director William Casey's widow, Sophia Casey; former CIA Director Richard Helms; former CIA Deputy Director Bobby Inman; Republican Senator William Cohen, vice chairman of the Senate Intelligence Committee; and the committee's former vice chairman, Democratic Daniel Patrick Moynihan.

Writing a non-fiction book about the CIA is destined to be an exercise in frustration. The better the book, the closer it comes to touching on the truth, the more it will be denounced by those who are charged with keeping and safeguarding U. S. secrets. By that standard alone, the firestorm of criticism that is being levelled at Bob Woodward's book, VEIL, suggests that he has cut very close to the bone indeed. Of course, there is another possibility. Sometimes when a book is the product of sloppy or dishonest reporting and research, then the criticism is legitimate. You will hear both arguments made; in this case fueled, on the one hand, by Bob Woodward's reputation as perhaps the premier investigative reporter of his generation; and, on the other hand, by this nagging question: why would William Casey while still in office as Director of Central Intelligence unburden himself of so much extraordinarily sensitive, highly classified material to, of all people, Bob Woodward of The Washington Post?

Nightline correspondent Jeff Greenfield reminds us what

William Casey did say when he was on the record.

WILLIAM CASEY: In recent years, publication of classified information by the media has destroyed or seriously damaged intelligence sources of the highest value. Leakers are costing the taxpayer millions and even billions of dollars and, more important, putting Americans abroad, as well as our country itself, at risk.

JEFF GREENFIELD: In the audience of newspaper editors that heard William Casey make that charge was Bob Woodward, The Washington Post's premier investigative reporter whose stories revealing government secrets often trigger the wrath of public officials.

So it must be considered a supreme irony that Casey himself, arch enemy of the leak, may have been a major source for Woodward's new book, VEIL. According to Woodward, he met or talked with the late CIA Director dozens of times about the work of the agency during Casey's years.

REPRESENTATIVE LEE HAMILTON: If Director Casey was, in fact, meeting regularly with Mr. Woodward and talking with Mr. Woodward about covert actions, then I would deem that a very serious breach of the responsibilities of the Director of the Central Intelligence Agency.

REPRESENTATIVE RICHARD CHENEY: I would deem that a breach of security. And I hope he did not do it.

SOPHIA CASEY: My husband would talk to him about his work. My husband never talked to anybody about his work.

BETH NISSAN: Did he talk to you about it?

MRS. CASEY: No, never.

PRESIDENT RONALD REAGAN: I think there's an awful lot of fiction about a man who was unable to communicate at all and is now being quoted as if he'd been doing nothing but talk his head off.

GREENFIELD: The most sensational and hotly disputed assertion by Woodward is that he was in the dying Casey's hospital room earlier this year and, with a nod of a head and a few words, Casey confirmed that he knew that Iran arms sales' profits had been diverted to the contras in Nicaragua.

MRS. CASEY: And this is absolutely a lie. He never got to see Bill Casey.

WILLIAM CASEY: Governor Reagan is the only man in

America who's ever turned the government around.

GREENFIELD: Woodward's book contains other eye-opening assertions, that Casey, who was Reagan's 1980 campaign manager, considered the President lazy, detached, passive; that Saudi King Fahd violated Moslem tenets by drinking heavily; that Egypt's late President Anwar Sadat was a drug abuser; that Libyan leader Muammar Gadhafi dressed in women's clothing; and that Casey had worked through Saudi intelligence to arrange a March, 1985 car bombing at the headquarters of Sheikh Mohammed Hussein Fadlallah, the leader of the Party of God. That bombing, in retaliation for alleged terrorist acts, missed Fadlallah, but killed 80 people.

But Woodward is after bigger game than gossip or sensationalism. William Casey came to the CIA in 1981 as part of an administration determined to reassert American interests, convinced that the Congress and the press were hindering the legitimate work of intelligence and convinced that covert action by the United States was a critical tool in a worldwide struggle.

According to Woodward, the near fatal shooting of President Reagan only ten weeks into his term demonstrated the vulnerability of American interests to violent attack. The 1983 bombing of the American Embassy in Beirut and the slaughter of 241 American Marines in Beirut that same year reinforced the administration's determination to strike back at terrorists. In Nicaragua, Casey saw the struggle of the anti-Sandinista rebels, the contras, threatend by vacillation in Congress and by inertia in the State Department. Indeed, from Central America to the anti-Soviet resistance in Afghanistan to Jonas Savimbi's anti-Marxist guerrillas in Angola, William Casey saw a worldwide anti-communist struggle he was determined to assist.

LT. COLONEL OLIVER NORTH: The Director was interested in the ability to go to an existing, as he put it, off-the-shelf, self-sustaining, stand-alone entity that could perform certain activities on behalf of the United States.

GREENFIELD: It was that impulse, according to Woodward, that led Casey to tap Prince Bandar, Saudi Ambassador to the United States, for money to pay for counter-terrorist operations and to fund the contras after Congress said no. It was that conviction, according to Woodward, that led Casey to embrace the use of private operatives in the arms-for-hostages' dealing with Iran, doing an end-run around Congress and of much of the executive branch as well. And that led Casey to embrace the diversion of Iran arms profits to help the Nicaraguan rebels, what Casey is said to have called the ultimate covert operation.

But why would Casey, along with countless top-ranking intelligence professionals, have revealed so much to an investigative reporter? Out of affection? Not according to a

Casey ally.

JEANE KIRKPATRICK: Bill Casey expressed to me a conviction that the book would be very negative, because Woodward was very negative. And he made it very clear he didn't trust Bob Woodward at all. And he said some other uncomplimentary things about him, in fact.

GREENFIELD: Then why talk at all?

KIRKPATRICK: Because I think in a democracy it's terribly important to have public, accurate public understanding of public policy. And it's very important for public officials to discuss public policy with reporters.

GREENFIELD: Thomas Powers has won a Pulitzer prize for his book on the CIA.

THOMAS POWERS: It sometimes appears when a reporter writes a story that somebody has come to him with the whole thing and laid it out for him and explained all the details and handed him the story. That very, very rarely happens. And the case as well with the CIA. You don't get a CIA story whole. You figure it out. You do a lot of reporting; you ask a lot of questions; and maybe at some point you talk to somebody like Casey and Casey makes a few remarks, and you fit those into the mosaic of the whole story.

GREENFIELD: And the questions keep coming. How much did Bill Casey really reveal to Bob Woodward? How much was information? How much was disinformation designed to conceal rather than reveal embarrassing facts? Was Bill Casey the passionate advocate of American national interests, serving or disserving those interests by what he did? And where does a journalist's instinct to get out all of the facts conflict with larger interests of security? These are all simply more reminders that in the shadow world of intelligence, the only certainty is uncertainty.

This is Jeff Greenfield for Nightline.

KOPPEL: When we come back we'll be joined by Bob Woodward and by CIA Director Bill Casey's widow, Sophia Casey.

* * * *

KOPPEL: Bob Woodward's new book is hardly his first venture into investigative reporting. He is known internationally for his coverage, with Carl Bernstein, of the Watergate scandal. And he currently heads the investigative staff at The Washington Post.

Bob Woodward joins us now here in our Washington Bureau. And from our New York studios, Sophia Casey, the widow of CIA Director William Casey, who has challenged Woodward's account of his late meeting with her husband as a fabrication.

Bob, before we get any further into this, just give us a sense of context. You told me you had more than four dozen meetings. I think you even said more than 50 meetings with Director Casey. What are you counting as meetings? I mean would a brief social contact in which you exchange a few words be a meeting?

WOODWARD: Meetings or substantive discussions. Sometimes those were at parties, half-hour in the corner at a New York Times' party, for example.

KOPPEL: How many substantive discussions would you say you had?

WOODWARD: Well, they were all substantive.

KOPPEL: All fifty?

WOODWARD: Indeed.

KOPPEL: Now that last meeting, and I draw your attention and also our viewers' attention, in particular, to a picture which we took from Newsweek of Director Casey sitting in a chair and you sitting in a chair hunched over and listening. Is that, in fact, the way that it was? Is that an accurate representation?

WOODWARD: That is some artist at Newsweek that did that. What I have decided on that issue is to not go beyond what is in the book. That is the best account, the time I wrote it and edited it, and that's what happened.

KOPPEL: Well, the reason I draw your attention and the viewers' attention to it is precisely because in almost every other respect, you are a very descriptive writer. But when it comes to that particular scene, which, after all, is a very dramatic scene and the one with which you close your book, there is no description at all, none; none about the way he looked, really; none about where he was. Was he in bed? Was he in a chair? No description of the room at all. It is almost totally devoid of anything other than this brief dialogue that you held, a dialogue in which body language plays almost as much of a role as what was said.

Why did you leave out any kind of description?

WOODWARD: Because the nineteen words he said to me, the

nod, the smile, kind of a half-smile at one point, were what was important.

KOPPEL: And whether he was in bed or sitting up? I mean to me, it's fascinating. And I'm told the Newsweek artist got this indirectly -- not from you directly, but from someone who worked for you, a description of what the setting was like. If the man was well enough to be sitting up, that clearly says something. If he was lying in bed, that says something else. If he was on a life support system, that says one thing. If he is completely without a life support system, as he is in that sketch, that also says something else. Which was it?

WOODWARD: I am not going to go beyond the book, and I need to give you the reason why. There are people who want to find out who assisted me, who gave me the opportunity to talk to Mr. Casey. Those people have to be protected. And I have heard stories that people are being interrogated and affidavits are being sought, and so forth. And I, as is, I think, well demonstrated over the years, want to protect sources. Those sources are my connection to the best version of the truth. And if there is some sort of hunt going on, it is my job to thwart it.

KOPPEL: Well, I'm not exactly sure I understand why a description of the Director's condition at that point would point a finger in anyone's direction. But after all, we do have another eyewitness to that, Mrs. Casey.

Mrs. Casey, where was your husband at that time? Was he able to sit up in those days, or was he in a bed? Was he on a life support system or oxygen or intravenous?

MRS. SOPHIA CASEY: He was mostly in bed. He would get up for a short period of time.

KOPPEL: So he was capable of sitting up in a chair?

MRS. CASEY: No, he could not sit up. He sort of reclined.

KOPPEL: Well, when you say he was capable of getting up for short periods -- I don't mean to probe too much -- but would he, as for example that picture depicted -- would he have been capable at that time of sitting up in a chair?

MRS. CASEY: No, not that way. I saw the picture. He never sat up that straight. He was sort of half-lying down. And they would just put him in the chair to change his position. And he really didn't sit up.

KOPPEL: Was he on intravenous at all? Was he on oxygen

at all? Was he....

MRS. CASEY: He had intravenous sometimes, yes.

KOPPEL: But I mean on the particular day in question, and you know....

MRS. CASEY: What day was that?

KOPPEL: Well, the day that Mr. Woodward claims he went to see your husband.

MRS. CASEY: What date was that?

KOPPEL: Bob Woodward, what date was that?

WOODWARD: Well, again, as I indicated, people are conducting their examination of not only the person who helped me get into the hospital, but the 250 people I talked to for this book. And by narrowing the date, which I would love to give, that makes it much easier for them to narrow who might have assisted me.

KOPPEL: All right. The first time you tried to get in I believe was January 22nd, wasn't it?

WOODWARD: That is what the CIA has said.

KOPPEL: And that's the date that's mentioned in your book, is it not?

WOODWARD: I did not mention the date in my book.

KOPPEL: All right. But one can assume, I suppose, Mrs. Casey, that it was sometime after late January.

MRS. CASEY: Well, the newspaper said January 22nd.

KOPPEL: That was the first time, yeah.

MRS. CASEY: That was the first time that he was thwarted. And then he said he went four days later, which would make it January 26th.

KOPPEL: Right. Now at that time was her husband on some kind of life support system, intravenous?

MRS. CASEY: I don't remember. I don't remember that.

KOPPEL: Let me just ask you, because you have denied categorically that it would be possible for Mr. Woodward to have seen your husband. How can you be so sure? I mean I know you

and your daughter kept a watch there with him. But surely there must have been some times when you were not there.

MRS. CASEY: Never. When we were there, we were there. We never had to leave the room. We had our food brought into us. There was a bathroom in there. So we never had to leave the room.

KOPPEL: You say when you were there, you were there. But over a period of weeks, are you saying that one or the other of you was there 24 hours a day?

MRS. CASEY: We were there. I was there all night, and my daughter was there all day.

KOPPEL: Let me just -- and we're going to take a break, and then I'll come back to both of you. But let me just ask you one broader question. You're not denying, are you, that Bob Woodward met on many occasions with your husband and had long conversations with him?

MRS. CASEY: Yes, I'm denying that.

KOPPEL: You're denying that he had any conversations with him?

MRS. CASEY: No, I'm denying that he had forty conversations, or 48 conversations.

KOPPEL: Well, how many would you -- I mean, as you heard, he said sometimes they may have been at cocktail parties, and other times they would have been on a more formal basis? How many conversations do your recollection did he have?

MRS. CASEY: Well, they have six conversations with him on the logs or the books in the office.

KOPPEL: At the Central Intelligence Agency?

MRS. CASEY: Yes. Yeah.

KOPPEL: Did he not sometimes come to your home, though?

MRS. CASEY: Never. Never.

KOPPEL: Bob, is that -- have you ever laid claim to having met with Director Casey at his home or at his apartment?

WOODWARD: Yes, I have. And as Mrs. Casey knows, she once served us breakfast.

MRS. CASEY: That's true. One time we had a stag

breakfast. And I went around, was giving out -- helping out with the breakfast. And Bob was there, and he turned to me and he said "I'm Bob Woodward." That was the first time I ever met him.

KOPPEL: All right. We're going to take a brief break, and we'll continue our conversation with Bob Woodward and Sophia Casey in just a moment.

* * * *

KOPPEL: Continuing our discussion now with Bob Woodward and Sophia Casey.

Mrs. Casey, I think understandably people have been reluctant to push you on this, and forgive me if I do push a little harder, because, after all, a man's reputation, your husband's reputation is at stake, but so is Bob Woodward's reputation.

We heard you in the introductory piece say your husband never talked to anybody about his work; he didn't talk to you even about his work. And yet as you have just said, even by your own account, even by the agency's account, your husband met with Bob Woodward at the agency at least six times, and we know have established that he also met at your home with your husband at least once. Clearly they weren't just talking about the weather. Why are you so insistent that your husband would not have talked with Bob Woodward about the agency and the agency's business?

MRS. CASEY: Well, I'm saying that because I know he would not talk to Bob Woodward about the agency in any depth. My husband was a professional, and he wouldn't talk to Bob Woodward, who was not a professional.

KOPPEL: And yet it is argued, and I'm sure we will hear more of this later in this broadcast, that because Bob Woodward had so many and such excellent contacts at the CIA, your husband may have been concerned, and indeed Jeane Kirkpatrick suggested that your husband may have been concerned about getting his version of events onto the record, and that for that reason he would have talked to Mr. Woodward.

MRS. CASEY: Well, I think he might have talked to Bob Woodward, but not in a serious vein. I know he talked to him. I know when we'd go to public functions, Bob would be there, and he'd come over to speak to Bill, and Bill was always -- he was a very sweet, friendly man, and he would say "Hello, Bob, how are you? How's the book coming?" And it was always in that vein that my husband talked to Bob Woodward.

KOPPEL: But I mean you weren't present at these conversations....

MRS. CASEY: No, I was not. But I know his habits. And he wouldn't talk any other way with him. Do you think for one minute this man, that he would speak to Bob Woodward about the secrets of the CIA, or give him any of that information that he has in his book. Why, that's ridiculous.

KOPPEL: Who else was present at that stag breakfast that you spoke of?

MRS. CASEY: Well, I really don't know. I didn't know any of them. They were all -- I think they were newspapermen or authors, had something to do with books.

KOPPEL: Bob, did you ever meet at the Casey's home with Director Casey alone?

WOODWARD: At his home alone, no, I did not.

KOPPEL: But you met at his office with him alone....?

WOODWARD: Yes.

KOPPEL: ...I mean, can you give us some kind of a sense of what these meetings were like?

WOODWARD: I think perhaps we should go to those meetings and try to address the question that you posed at the beginning: why would he talk? Jeff Greenfield, in his piece, showed Casey speaking at the Editors Convention; I believe that was in 1986. One of the things Director Casey said at that speech was he is worried about leaks; worried about classified information in the newspapers, on broadcasts, and that he personally was available for consultation. He wanted to talk to people who had stories to make sure sources and methods were not damaged. This is not an unusual posture for a CIA Director or an intelligence officer.

KOPPEL: And yet I would have to say to you, and clearly you wrote the book and you know it better than anyone, some of the things that you have him telling you or confirming to you clearly are damaging.

WOODWARD: Well, I had and have lots of sources in that area. I got lots of information. He knew that. I would go to him. And as I say in the book, he was playing defense. He wanted to shape the story. And as he told me once, everyone says more than they're supposed to. I think he acknowledged that that happened to him.

KOPPEL: Jeff Greenfield alluded to one other possibility, and I suggested it in the opening also. What if he was deliberately planting disinformation with you? What if he

was deliberately trying to mislead you?

WOODWARD: Well, sometimes he would deny things I knew were true. I think over the years, he realized that when I came up with something, it was solid, and he would generally deal with it.

KOPPEL: All right. We're going to take a break. Mrs. Casey, let me point out, as you know, we have a lot of other guests on this broadcast. If at any time during the broadcast you feel you would like to jump in with a comment or a question, please do. But we're going to take a break now. A little later we'll be talking with two senators whose duties included keeping an eye on CIA activities, Senator Patrick Moynihan of New York and Senator William Cohen of Maine. But first, when we come back we'll be joined by two key CIA veterans who've played a major role in shaping the agency's activities, former Director Richard Helms and William Casey's former Deputy Director, Bobby Inman.

* * * * *

KOPPEL: Richard Helms, who's in our Washington Bureau, is an intelligence professional, a member of the CIA's old guard who rose through the ranks to become its Director in the late '60's and early '70's. He is one of those whom William Casey consulted when Casey became the man in charge at the CIA. Admiral Bobby Inman, joining us from our affiliate KVUE in Austin, Texas, was, for a time, second in command under Casey, primarily because influential senators, like Barry Goldwater, trusted Inman and wanted him in that post. Inman resigned in 1982, according to Bob Woodward, because of disagreement with Casey over support for the contras, among other reasons.

Gentlemen, and I guess I address the first question to you, Ambassador Helms. It seems that periodically now over the last 20 or 25 years, we have a situation where people in the administration, at the Central Intelligence Agency, in the White House, feel frustrated; feel they can't get things done through conventional means and start looking for unconventional ways of doing it.

Is it just inevitable that every few years we're going to go through that kind of cycle?

AMBASSADOR RICHARD HELMS: I would not have thought so. I realized that this business of off-the-shelf operations is a rather new idea that was brought up by Colonel North in his Iran-contra testimony. I don't recall any time in the past when anybody was thinking of using off-the-shelf operations.

Therefore, it seems to me that since this is the first time it came up, it doesn't mean necessarily there's going to be

another time.

KOPPEL: No. But I mean, you know, what Colonel North referred to as an off-the-shelf operation, I think what he was saying is that the Director, in this case William Casey, wanted the freedom to operate without having to go through Congress, without necessarily even having to dot each "i" and cross each "t" with the White House, and therefore money was collected in rather unconventional ways. Are you saying that never happened in the past?

HELMS: Not that I'm aware of. And I was there from the day the doors opened in 1947.

KOPPEL: Admiral Inman, how is it possible that it happened this time? When I say how is it possible, I mean the CIA had been burned badly before. It had gone through those very painful hearings, the Church committee hearings in the 1970's. I would have thought that even the prospect of something like that occurring again would have been enough to set off all kinds of gongs and alarms at the agency.

ADMIRAL BOBBY INMAN: Ted, when covert operations are being conducted, very few people have access. It's not a process where a lot of people are involved and have a chance to set off alarms. But I would remind you that even with all our focus on the contras or Iran, that there were other ongoing covert operations judged to be in the national interest, enjoying bipartisan support in the Congress, being funded through that bipartisan support in the Congress, and being conducted under the rules and regulations that had been clearly established after the Church committee time.

KOPPEL: No question about that. And clearly those are not the controversial issues at the moment. What is far more controversial, for example, and I know you hadn't had a chance to read the entire book, but I'm sure you've read some of the excerpts in the newspapers and magazines, are the uncoventional operations, such as getting money from the Saudis, you know, to plant that car bomb in Lebanon, killing 80 innocent people, and trying, of course, to keep the CIA at arm's-length from that. But now when this kind of thing comes out, that's going to do enormous damage, isn't it?

INMAN: It clearly does enormous damage. And we saw that in much of the coverage even as the hearings were going on, a great skepticism that CIA was not really involved. I think the evidence now is pretty clear that at least the overwhelming agency itself, leadership of the agency was not aware of events that were being done off-line.

I would remind you, though, before we ever had CIA, that

back in our history Presidents have turned to private individuals to conduct services for them. General Donovan got started in his activities before there ever was an O.S.S. So this is, indeed, from all I can see, an aberration in recent years. But it isn't the only time in our history that Presidents have turned outside the government bureaucracy to get individuals to do foreign missions for them.

KOPPEL: Ambassador Helms, is it inevitable that when a President wants action, as clearly President Reagan wanted action in Central America, as he wanted action with regard to the hostages being held in Beirut -- is it inevitable, then, that ultimately folks are going to turn to the agency as being the action arm for that sort of thing?

HELMS: I think that is inevitable. It is really the only agency in Washington that's equipped to handle such matters. It has unvouchered funds. It has the legitimacy, through statute and so forth, to conduct operations of this kind.

KOPPEL: Does it make sense to you, then, that this kind of unholy alliance that appears to have existed between the agency and the National Security Council was equally inevitable when you have to keep things, or when there's the perception that you have to keep things away from Congress?

HELMS: Well, I don't think that the -- if I understood this arrangement accurately from the Iran-contra hearings, it was because of the Boland Amendment that the agency was taken out of the game and the National Security Council got into it. And that's a most unusual situation. I don't know of its ever happening before.

KOPPEL: And yet if Bob Woodward is correct, in point of fact the agency was not out of it; the agency was very much in it. In fact, the Director of Central Intelligence appears to have been running the operation.

HELMS: That may be. Whether he was running it out of his hip pocket, irrespective of the work of the agency, I really don't know, and I'm in no position to judge that.

KOPPEL: Well, you've spent a lifetime, Ambassador Helms, learning to trust your nose and your gut. Does you nose tell you that this story is right? Does your story tell you that it happened the way that Bob Woodward describes it?

HELMS: I don't know how Bob Woodward described it, because I haven't read his book. But I would assume from the report of the Tower Commission and the Iran-contra hearings, and so forth, that Casey had a role in this whole affair.

WOODWARD: Ted, could I break in for a moment?

KOPPEL: Please, go ahead, Bob.

WOODWARD: Before we keep rolling along here, in fairness to the person who we're talking about who is not here, Mr. Casey, I want to say a couple of things.

First of all, as Mrs. Casey may remember in a phone conversation she and I had in June of this year when I called to offer my condolences to her, we talked about him and why he talked to me. And I said to her that he was a man, absolutely extraordinary man, somebody who, as the years of the Reagan administration went on, I think we, including myself, did not fully realize his intellect, his passion and his convictions. And one of the things that I said to Mrs. Casey was "Your husband never avoided the confrontation with me. If I had a story, if there was something that I wanted to know about, not once did he not call me back; not once did he not say 'we can't meet.'" And sometimes those discussions, meetings were unpleasant ones. But he did it.

The second point I want to make in fairness to him. There's been a kind of presumption by some people that Casey was the Daniel Ellsberg coming in with a grocery cart of documents to me or with a lot of secrets. That's absurd. At the beginning, Tom Powers talked about the mosaic. You piece together these stories. Casey was willing to deal with me. He was willing to cross some lines, to explain, to give his side. But I think he was not, in fact I know he was not Daniel Ellsberg.

KOPPEL: Mrs. Casey, any comments you want to make?

MRS. CASEY: Well, all I can say is that I agree with Bob Woodward that my husband was a very friendly man. But he would never -- his friendship didn't go that far that he would give him CIA information that would harmful to the agency.

KOPPEL: All right. We'll take a break again, and when we come back we'll be joined by two senators who played a crucial role in overseeing CIA activities, but who may have found some surprises in the Woodward book, Democrat Daniel Patrick Moynihan of New York and Republican William Cohen of Maine.

* * * *

KOPPEL: Senator Daniel Patrick Moynihan of New York was vice chairman of the Senate Intelligence Committee, but resigned in protest over the CIA mining of Nicaraguan harbors. He joins us in our Washington Bureau. Also in Washington, Senator William Cohen of Maine, current vice chairman of the Senate Intelligence Committee. Senator Cohen came close to disaster on a flight into

Managua when he and Senator Gary Hart landed there just hours after a CIA sponsored bombing attack on the airport.

Senator Moynihan, much of what is in Bob Woodward's book clearly to you, as a former vice chairman of the Senate Intelligence committee, cannot be new. But it is, for the first time, public. Is it good that it is public, or should it have remained private, behind the scenes?

SENATOR DANIEL PATRICK MOYNIHAN: The episode to which you refer and which is dealt with in great detail by Bob Woodward, the decision to mine the harbors in Nicaragua, the decision not to tell the Congress, the inevitable discovery by the world that this happened, the feeling by Senator Goldwater that he had been betrayed, the statement by the NSC official that Mr. Goldwater saying he hadn't been informed was wrong, in effect, dismissing Mr. Goldwater's statement that this was a violation of international law, my saying if they're going to call Barry Goldwater a liar, I'm not going to carry their water any longer: all that is accurate and much of it public. Mr. Woodward puts in details which I didn't know, but are coherent. And I would hope people would read it for the importance of what he describes, which is that these weren't off-the-shelf operations; they were off-the-wall. To give an intelligence agency the capacity to carry out foreign and military policy independent of your State Department and your War Department is to invite calamity.

May I just make this point. Right now in the Navy -- I'm sorry, in the Persian Gulf, our Navy has been put in harm's way, and it's doing a hell of a job dealing with the Iranian mining of international waters and possibly territorial waters. And we've attacked an Iranian ship; we've seized that ship; we seized its crew and made the claim, correct in my view, that they were violating international law. Under international law, we have the right to do it, and arguably the responsibility.

That Navy would not have mined those harbors, because they would know that in doing so, a kind of act of state terrorism, I'm sorry, they would undermine something very important to a maritime power, such as ourselves, which is that law which is not a self -- it's not -- law does not restrain you; law empowers you. And the Navy would have thought more than five months ahead, and we would not be in the complex situation we are in now. They didn't.

KOPPEL: Senator Cohen, I have to ask you. There is a clear paradox here. On the one hand, this man, Director Casey, who apparently felt that some of these operations were vitally in the national interest, on the other hand then sharing some of his thoughts on that with Bob Woodward, knowing it was going to end up in the book.

How do you in your mind reconcile those two realities?

SENATOR WILLIAM COHEN: Well, they're hard to reconcile. You indicated before that Pat Moynihan and myself might find some surprises in this book. I think the first and the biggest surprise is the fact that the conversations took place at all. Secondly, what is surprising is the number of conversations. I'd have to say to Bob Woodward that he had greater access to Bill Casey, based upon those 50 interviews, than most of us on the Intelligence Committee ever had. So I found that quite a rather stunning revelation.

It is sort of -- not sort of; it's very inconsistent with Bill Casey's own attitude toward the press. I think it's very clear that he had a great deal of hostility not only toward Congress as a general proposition, but even more so toward the press, and even at one point considered bringing a lawsuit against either Bob Woodward or The Washington Post because they were digging too deeply into some of the nation's secrets. And he had general support in that proposition, I must say.

So it's rather inconsistent that he would talk to Bob Woodward at all.

KOPPEL: Looking at the book inductively, if you will, I mean taking a look at what has been revealed, do you believe Bob Woodward? Do you believe, (a), that he had all of those conversations, and does it strike you from what you know -- does it strike you as accurate information?

SENATOR COHEN: Well, I haven't read the entire book. I've only read the first 50 or 60 pages. But I do know from my readings of Bob Woodward stories and the way in which he has conducted his investigative reporting, he's very thorough. And he doesn't begin a story without having his facts at least down fairly pat. He has never asked a question, to my knowledge, without knowing pretty much what the answer is going to be or what the answer ought to be.

So I can't comment on his book and wouldn't comment on the details. But I would say as a general proposition, he's been pretty thorough in his reporting.

KOPPEL: Senator Moynihan, you're a politician by avocation; you're a historian by vocation. Therefore, apply your historical mind, if you will. What kind of impact is this book and its revelations going to have? Positive or negative?

SENATOR MOYNIHAN: I would like to think, and I think Bill Cohen would agree with me, that we will see the dilemmas, the impossible dilemmas that take place when the major public policies of the nation, in effect, become secret and the almost

compulsive behavior -- I have to think that -- of the man who held those secrets to tell somebody, even though he wouldn't in these situations share them with the Congress, which would be sworn to secrecy. I can say to you most of the things I've read about the mining are true. I couldn't say it until now because we received them in confidence. But also to be fair to Bill Casey, he wanted to work. He realized when he'd made a great mistake. He came to me and asked me, please, don't resign; this won't ever happen again. He and Senator Goldwater and I drew up an agreement, a written agreement saying, well, now in the future, we'll be told about these things in advance, and so forth. But then in the Iranian affair [he] went and broke the agreement with our successors, Senators Durenberger and Leahy. It's a complex man and an off -- I do not suppose a democracy can conduct matters of such consequence in secret. That's what's good about democracy; it's out in the open; you know what you're getting. And when you get it, you can at least support a policy which, in the first place, you've committed yourself to.

KOPPEL: Gentlemen, we've got to take a break. We'll continue in a moment.

* * * * *

KOPPEL: Continuing our discussion now with Admiral Bobby Inman. You were, for what -- almost a couple of years? -- Deputy Director of the Central Intelligence Agency under William Casey. But you quit. And the impression is that you quit because you didn't like the way some of these operations were being run and you were being cut out of the loop. That says something about where you stand on these issues, but maybe you put it in your own language.

INMAN: Ted, let me make three quick points. First, you'll recall that the first time I ever appeared on national television was on Nightline a little over six years ago.

KOPPEL: To defend William Casey.

INMAN: To defend Bill Casey when he was under some assault in the Congress for handling his finances. I have no regrets for that. I think he did many great things for the intelligence community while he was there.

Second, I don't know how many conversations he had with Bob Woodward, or in detail what he had to say. But I do know from looking at the first hundred pages of the book that there are some very specific details of conversations that I had with him, briefings I gave him at NSA, which he certainly didn't get -- Woodward didn't get from me. And he could only have gotten them either from a conversation with Bill Casey or from notes that Bill Casey made of those events that somebody else made

available to him.

Third, I must tell you that I have some difficulty in the larger view of this kind of book, with Bob Woodward's strong stand in his need to defend, protect at all costs sources that would have given him access to DCI, yet the cavalier description of very sensitive U. S. sources and methods which clearly harm this country's ability over the long term to collect intelligence from many parts of the world. It may be the Soviets may well have been aware of techniques being used. But the Soviets aren't the only country in the world where we need to use many of these sensitive approaches if this country is going to have warning of potential danger to its citizens, its forces, indeed its interests.

KOPPEL: Bob Woodward, that's probably the most damaging, I suppose, that can be made against you; not that you cooked anything or that you didn't do an excellent job as a reporter, but that some of this material just shouldn't have seen the light of day.

WOODWARD: Well, Admiral Inman says that there was a cavalier attitude toward it. Just the opposite. I took a great deal of time, talked to many, many people, weighed the consequences, kept cutting back on detail. As he will tell you, he hasn't been there in about five years. A lot of things have changed. I talk about certain things in certain time frames. It is limited to that. I believe the CIA put a statement out to one of the papers here saying there is nothing in this book so far that has damaged on ongoing operation.

I spent too much time with intelligence officers, people in the government to not have deep respect for their work. I have attempted to be very careful. At the same time, overall, what the book is about is government, what happened in a six year period, that something very disturbing happened. I think everyone is willing to agree with that. And in order to make that and really paint the cumulative portrait, not only of Casey, but of the administration, you've got to not write a sanitized version. That is not a sanitized version. But I disagree with the Admiral on the idea that I would be cavalier.

KOPPEL: Ambassador Helms, your thoughts on that. Go ahead, sir.

HELMS: Yes. I agree thoroughly with Admiral Inman. I think this kind of book does grave damage to U. S. interests abroad, particularly with our allies. And you can rely on the fact that there's a white snow of autumn paper falling on the agency right now from other intelligence services, from agents around the world, and so forth, who don't trust us, who can't understand why we can't keep secrets, and how it is that all of

this comes out in the public print. And I can assure you it is hurting our efforts, particularly in our fight against terrorism where we need the collaboration of foreigners.

WOODWARD: But don't we have to face what has gone wrong? You know, all the books I've done, the reporting....

HELMS: That's why we've got the Iran-contra committees and all these committees of the Congress for is to straighten out the things that have gone wrong. We don't need to go public.

WOODWARD: Fair point. But ask the two senators, for instance, don't they feel, looking back at the Casey era, that to a certain extent he rolled them, that he thumbed his nose at them, and in fact things were out of control?

KOPPEL: That's an excellent question, and we're going to let it hang for a moment while we take a break. And when we come back, we'll give Senator Moynihan and Senator Cohen a chance to answer that question.

We'll continue in a moment.

* * * *

KOPPEL: A word of apology, first of all, to our affiliates. If you look at your clocks, you will already know what I'm about to tell you, and that is we've gone beyond our allotted time. We're going to go on for just another few minutes so that we give everyone a chance for a concluding thought or two.

Senator William Cohen of Maine, just before we broke, the suggestion was made that what Director Casey was doing was rolling all of you fellows on the Hill up. Do you have that impression?

SENATOR COHEN: Well, first of all, I'd like to point out, as Bob Woodward said, it was important to talk about what went wrong. But I think it's also important to point out what went right. And what went right is that agency, for the most part during the period of the Casey years, did, in fact, comply with the law, did notify Congress, did trust covert activities to our review and the approval. And so I think that for 99% of the time, the agency ought to get credit for what took place and not be tarred with a brush by saying in the one percent of the cases, be it Nicaragua or Iran, where there were either off-the-shelf or sort of off-the-hip, as Ambassador Helms has described it, allow that to taint the agency in its entirety.

Secondly, with respect to covert actions, I again point out that almost in every case the covert activities were, in

fact, revealed to the Congress, and we had an opportunity to pass judgment upon them, to give our advice with respect to them. The reason that Director Casey went in a direction of the diversion, if it's a diversion, was that the agency was not cooperating. He knew that the agency, the institution, would comply with the law by reporting to Congress, and therefore decided to take it around.

So I think we ought to point to the positive side of things and not just the negative.

KOPPEL: Senator Moynihan?

SENATOR MOYNIHAN: I think that's our problem, as Bill says. We can't tell you what went right. We had a fine and building and strengthening relationship with the agency. The strange thing is that Casey would withhold from us information that was available to others, and then inevitably we would learn about it, and he'd come up; he'd apologize, say it won't happen again, and then it would happen again.

But please understand that the professional career officers found the relationship with Congress a good one, and wanting to maintain it is when they became to resist these programs that we wouldn't think well of, because they weren't going to work.

KOPPEL: Admiral Inman, one of the curious things about this story is that when, after all, you put your secrets in the hands of foreign intelligence agencies or foreign governments, it is almost inevitable, is it not, that these things are going to come out here too. So what's the percentage in ever doing that?

INMAN: In actuality, Ted, we have been fortunate for many years to have relationships with other countries, exchanging intelligence, exchanging collection operations, doing things together where they've kept the secrets even better, in most cases, than we have. So you can, in fact, enter into those arrangements and make them work.

I take my hat off to Bob Woodward as one of the great investigative reporters we've seen in modern times. But I must tell you, even five years out of date, I'm not prepared to concede to him that he knows more about intelligence sources and methods than I do.

KOPPEL: Ambassador Helms?

HELMS: My only comment is that we have a real problem in the United States. And we Americans are all in this together. Our secrets are allegedly and specifically for the purpose of helping the national security of the United States. It seems to

me that the dissemination of our secrets, the appearance in the world that we can't keep them, that we're, in a sense, irresponsible is a most unhappy situation. And I would just simply like to submit in evidence that we may be so big, so rich and so powerful there's nothing that can really affect the national security of the United States. But I assure you that in the world of terrorism and low intensity warfare we need friends, we need agents, we need assistance, and this kind of revelation harms that effort.

WOODWARD: May I break in, Ted, just for a moment?

KOPPEL: Not only may you break in. I was going to ask you this question. Whatever you may have had in mind when you were writing this book, has it worked out that way? Is the initial reaction, both from public and the Congress and people like Ambassador Helms and Admiral Inman, does that surprise you, or do you feel you've succeeded in doing what you wanted to do?

WOODWARD: First, I want to concede to Admiral Inman that I do not know about sources and methods than he. I was not saying that. I was saying I took great care with sources in government, in the intelligence agencies and going through and making these decisions.

I quite frankly and candidly think that it's time for a little bit of introspection by everyone involved in this, that I really disagree with Ambassador Helms very much that somehow we can do it the old way and let's not face our problems.

HELMS: We aren't doing it the old way, Bob. We've got two permanent select committees of the Senate and the House overseeing these activities now, and that ought to be enough.

WOODWARD: Well, unfortunately, and I say unfortunately, as I say in the book, oversight kind of fumbled along for a number of years in the Casey era and then failed. And I think the evidence is the Iran-contra hearings. Here you have the CIA. As Senator Moynihan has pointed out very vividly, there was an agreement, a letter agreement with Bill Casey that all covert operations would be disclosed. The administration made their decision in the Iran arms sales "To hell with Congress" for ten months. I know a lot of people are upset about that. And what are they upset about? The issue's the law: did we play by the rules and the law that has been set up? And unfortunately the answer is we have not.

KOPPEL: All right. Gentlemen, I'm afraid we must bring it to a close, and we bring it to a close. Mrs. Casey, I promised you during a break that if you had a closing thought or two, we would leave you the last word. So please.

MRS. CASEY: Thank you, Ted.

All I want to say is that in his book, Bob Woodward didn't portray the real Casey. What he has in his book is a figment and invention and his imagination.

KOPPEL: I know that was supposed to be your last statement, but I just can't leave it hanging there. What do you mean by that? I mean who was the real Casey if that wasn't he? I realize every man has more than one dimension. You knew him as husband and friend, and Bob knew him only, you know, on a very professional level. Is that what you're talking about?

MRS. CASEY: I'm talking about that all the people that know Bill Casey don't think of him as Bob Woodward does. He was a very patriotic, fine public servant and a real professional in his job. And he would never stoop to give Bob Woodward any information that would hurt his agency or this country.

KOPPEL: All right. I realize there's a temptation to constantly go back and forth again, but we have to end somewhere. We will end on that note.

I'm very grateful to all of you, Mrs. Casey, obviously, for joining us this evening, and to Bob Woodward for joining us. And my thanks also to Ambassador Richard Helms and to Admiral Bobby Inman and to Senator William Cohen and Senator Daniel Patrick Moynihan. To all of you, my thanks for being with us tonight.

That's our report for tonight. I'm Ted Koppel in Washington. For all of us here at ABC News, good night.